

LABOR AGREEMENT

BETWEEN

**CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS**

AND

**LOCAL UNION NO. 51
OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS**

**June 1, 1999
through
May 31, 2002**

TABLE OF CONTENTS

ARTICLE I	RECOGNITION	1
ARTICLE II	MANAGEMENT	1
ARTICLE III	HIRING OF EMPLOYEES	1
ARTICLE IV	UNION SHOP	2
ARTICLE V	METHOD OF NEGOTIATION AND SETTLING DIFFERENCES	2
ARTICLE VI	WAGES	4
ARTICLE VII	HOURS AND WORKING CONDITIONS	6
ARTICLE VIII	VACATIONS	10
ARTICLE IX	SENIORITY	11
ARTICLE X	SAFETY	13
ARTICLE XI	HEALTH AND WELFARE	14
ARTICLE XII	MISCELLANEOUS PROVISIONS	16
ARTICLE XIII	STOPPAGE OF WORK	17
ARTICLE XIV	PAYDAYS	17
ARTICLE XV	COMMERCIAL DRIVERS LICENSE	17
ARTICLE XVI	CERTIFICATE OF COMPETENCY	18
ARTICLE XVII	DURATION	19
EXHIBIT 1	ALCOHOL AND DRUG POLICY	
EXHIBIT 2	BONUS PLAN	
EXHIBIT 3	ACCUMULATED BONUS SICK DAYS	

LABOR AGREEMENT

BETWEEN

**CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS
AND
LOCAL UNION NO. 51
OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS**

This agreement executed between CONSUMERS ILLINOIS WATER COMPANY (herein referred to as "Company") and LOCAL UNION NO. 51 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (herein called "Union").

WITNESSETH: It is agreed by and between the parties hereto as follows:

ARTICLE I – RECOGNITION

The Company recognizes the Union as the sole collective bargaining agency for the employees of the Company in the jobs and occupations hereinafter set forth.

ARTICLE II – MANAGEMENT

The Company shall have the right to exercise all regular and customary rights of management. Such management rights include, but are not limited to: the management of the business and of the plant and the direction of the working force including the rights to direct, plan, control operations, to establish and change work and shift schedules, to determine job contents, to hire, promote, demote, transfer, suspend, discipline, or discharge employees for cause or to relieve from duty employees because of lack of work or for any other just cause, to introduce new and improved methods or facilities or to change existing production methods or facilities, to determine the services provided to the Company's customers, to determine the schedules of production and the methods, processes and means of production, to make job rules and reasonable regulations, including safety rules, and enforce penalties for their violations, and to otherwise manage the business. The exercise of the management rights by the Company, however, will not be inconsistent with the specific provisions of this Agreement.

ARTICLE III – HIRING OF EMPLOYEES

Section 1a. The Company agrees that upon the hiring of any employee in any classification covered by this agreement, the employee shall be regarded as a probationary employee for the first one hundred eighty (180) days of such employment and shall not be entitled to seniority during that period. A probationary employee may be laid off or discharged by the Company, as it may determine.

Section 1b. The Company shall be sole judge of the fitness and ability of all probationary employees during a one hundred eighty (180) day period and agrees that it will not discriminate against any individual. The Company shall immediately after hiring probationary employee notify the Union thereof, giving the name, classification and residence of such employee.

Section 2. A temporary student shall be so classed for the duration of the specific temporary assignment for which the temporary student employee is specifically employed and such assignment shall not exceed 90 continuous days. During this period, such temporary student employee shall not acquire seniority, and the right to discharge or rehire such employee shall be vested exclusively with the Company.

ARTICLE IV – UNION SHOP

Section 1. All new employees of the Company, if retained past a period of thirty (30) days, shall immediately arrange with the Union for membership therein and continue such membership as a condition of employment under this Agreement. The above provision, however, shall not require the Company to discharge any employee at the direction of the Union except for a cause lawful under the law and applicable federal regulations.

Section 2. The Company will deduct and remit monthly to the Union, dues required of such employees as certified by a duly authorized representative of the Union, provided such deduction is authorized in writing by the individual employee. Such deductions shall continue from year to year unless written notice of cancellation is given to the Union and the Company.

ARTICLE V – METHOD OF NEGOTIATION AND SETTLING DIFFERENCES

Section 1. The Company agrees to meet and to treat with the duly accredited officers and committees of the Union in the following manner on differences that may arise between the Company and Union:

Step 1: In the event any differences arise, the aggrieved employee or employees, their supervisor and another bargaining unit employee or Union steward at the option of grievant shall meet and verbally discuss the issues relating to the difference that has arisen. Step 1 of the grievance procedure shall be invoked within ten (10) working days of the time the facts upon which the difference is based occur or first become known. The answer must be given within three (3) working days after presented.

If the dispute is not settled at Step 1, Step 2 must be invoked within fifteen (15) calendar days after the answer is given or should have been given.

Step 2: The employee, Department Head, Supervisor, and another bargaining unit employee or union steward at the option of the grievant shall meet to discuss the issues of difference. The grievance should be reduced to writing by the grievant prior to this step. A meeting day must be established within ten (10) calendar days of the request. The Company will provide a written response within three (3) working days after the hearing.

If the dispute is not settled at Step 2, Step 3 must be invoked within fifteen (15) calendar days after the answer is given or should have been given.

Step 3: The Business Representative of the Union, the grievant, and Union Steward will meet with the General Manager, a Supervisor or Department Head, in an effort to resolve the grievance. The Company will provide a written response within ten (10) calendar days after the third step meeting.

If the matter is not resolved, then the Union must notify the Company in writing of its intent to invoke the services of a neutral arbitrator. This notice must be given within fifteen (15) calendar days of the time the answer is given or was to have been given.

If a grievance is not pursued beyond a particular step within the time limits specified, said grievance shall be considered settled at that step.

Any of the time limits proceeding can be waived by mutual consent of the parties.

METHOD OF ARBITRATION

Section 1a. One (1) person will be designated by the Company and one (1) person will be designated by the Union, and these persons so designated shall obtain from the American Arbitration Association the names of seven (7) arbitrators. The designated representatives shall then alternately strike one (1) name until one (1) name remains. The one remaining designated representative is to be notified by the party requesting arbitration.

Section 1b. A date for arbitration shall be set within sixty (60) days after the arbitrator is selected.

Section 2. The arbitration board as above constituted shall hear the evidence and render its decision thereon without avoidable delay. The Company and the Union agree that the majority decision of such board shall be binding on both parties.

Section 3. Each party shall bear the expense of its own arbitrator and the agreed expense of the odd arbitrator shall be borne equally by both parties.

ARTICLE VI – WAGES

Section 1.

	Effective 06/01/99	Effective 06/01/00	Effective 06/01/01
Senior Mechanic	18.45	18.98	19.51
Plant Utility Working Crew Chief	17.88	18.41	18.94
Plant Operator *	17.42	17.95	18.48
Plant Utility Worker	16.72	17.25	17.78
Lab Technician	18.45	18.98	19.51
Construction Crew Chief	18.45	18.98	19.51
Construction Worker	17.30	17.83	18.36
Distribution Laborer	16.72	17.25	17.78
Service Worker	17.07	17.60	18.13
Meter Reader **	16.72	17.25	17.78
Meter Reader/Locator ***	14.00	14.00	14.00
Part-Time Employee/Temp Student Employee ****	7.25	7.25	7.25

* Shift Premium Paid

** All employees employed as of 1 June 1999 shall receive this rate upon working in this classification

*** Rate of pay for employees hired after 1 June 1999

**** Each year an employee in this classification returns they shall receive \$0.25 increase in the rate of pay.

A shift premium shall be paid for all work performed on shifts as follows:

	Effective 06/01/99
0001 Hours to 0800 Hours	3.0%
1600 Hours to 2400 Hours	2.0%

A responsibility premium of 35 cents per hour shall be paid to the designated lead construction worker, for responsibility for insuring that the work performed at the given job site is conducted in a safe manner including the utilization of trench safety equipment, hard hats, eye protection and any other necessary safety equipment or procedures, to insure that traffic control is properly set up and maintained, to insure that customers receive notification of shutdowns through direct door-to-door notice door hangers or other means of notification, to insure that jobs are left in a presentable and ready-to-restore manner and to insure that any other policies and procedures of the Company are followed.

The positions of Plant Utility Worker, Distribution Laborer, and Plant Operator will have wage ranges. Employees entering Company service in these classifications will earn an hourly rate within the specified range. The following minimum hourly wage will be applied to these classifications:

Length of Service with the Company (months)	Effective 06/01/1999		Effective 06/01/2000		Effective 06/01/2001	
	Plant Utility Worker and Distribution Laborer	Plant Operator	Plant Utility Worker and Distribution Laborer	Plant Operator	Plant Utility Worker and Distribution Laborer	Plant Operator
Probationary Employee	13.97	14.67	14.50	15.20	15.03	15.73
7 - 9	14.22	14.92	14.75	15.45	15.28	15.98
10 - 12	14.47	15.17	15.00	15.70	15.53	16.23
13 - 15	14.72	15.42	15.25	15.95	15.78	16.48
16 - 18	14.97	15.67	15.50	16.20	16.03	16.73
19 - 21	15.22	15.92	15.75	16.45	16.28	16.98
22 - 24	15.47	16.17	16.00	16.70	16.53	17.23
25 - 27	15.72	16.42	16.25	16.95	16.78	17.48
28 - 30	15.97	16.67	16.50	17.20	17.03	17.73
31 - 33	16.22	16.92	16.75	17.45	17.28	17.98
34 - 36	16.47	17.17	17.00	17.70	17.53	18.23
36+	16.72	17.42	17.25	17.95	17.78	18.48

NOTE: Employees as of 6/1/99, bidding into a position with a wage range shall enter the wage range at no less than the 25th month of service pay step.

The Company shall have the right to contract for new construction work provided, however, that such contract work shall not cause the layoff or reduction of force of any regular employee of the Company.

Section 2a. Consumers Water Company has adopted a Bonus Plan to be available to all employees of Consumers Water Company and its subsidiary Companies. A copy is attached as **Exhibit 2**.

Section 2b. The members of IBEW have bargained for inclusion in the plan, effective June 1, 1996, under the terms and conditions of other employees of the Consumers Water Company and its subsidiaries who are eligible to participate in the plan.

Section 2c. All Service Workers shall receive a premium of \$1.00 per meter change-out accomplished up to a maximum of 480 change-outs for the twelve (12) month period of June 1 through May 31 of each year. This premium is designated for service workers only, not employees temporarily assigned as or upgraded to a service worker position.

ARTICLE VII – HOURS AND WORKING CONDITIONS

Section 1a. Eight (8) hours from Monday to Friday inclusive will constitute a regular day's work in all cases, except where it is necessary for an employee to work regularly on Saturday, in which case the employee's week shall be from Tuesday to Saturday evening, so that the employee's rest period shall be consecutive. Hours shall be eight (8) hours between 7 A.M. and 4:30 P.M. with one-half (½) hour off the job for lunch, except one Service Worker shall work until 5 P.M. with one hour off for lunch and one Service Worker shall be given one-half hour off the job for lunch at 12:30 P.M. Starting hours and lunch period shall be mutually agreed between the Company and Union

Section 1b. For the convenience of customers, the Company may, with 48 hours notice, change the shift schedules of employees. Time worked outside the normal shift schedule of employees will be paid at the applicable overtime rate. During this shift change employees may at their option work part of their normal work schedule not to exceed twelve (12) hours total per day. These shift changes will not exceed one (1) change per week with a maximum of five (5) occasions or ten (10) working days per year. Section 2f. and 2g. of Article VII are not applicable when shift changes are scheduled in accordance with Article VII Section 1b.

Section 2a. The regular hours of employment for employees where continuous regular service is required seven (7) days per week, twenty-four (24) hours per day, shall be eight (8) consecutive hours per day and five (5) consecutive days per week insofar as it is practical, Sundays and holidays inclusive, or any other work schedule as agreed upon between the Company and the Union and the change of shifts shall take place at 8 A.M., 4 P.M., 12 Midnight, or at such hours as may be agreed upon between the Company and the Union.

Section 2b. In the case of employee working the swing or split shift (4 P.M. – 12 midnight on Friday, Saturday and Sunday and 12 Midnight – 8 A.M. Wednesday and Thursday), the first day off in the work week will be considered the employee's Saturday or sixth day, and the second day off in the work week will be considered the employee's Sunday or seventh day. Overtime will be paid in according to other provisions identified in this Agreement.

Section 2c. Lateness or approved overtime shall be computed to the nearest fifteen (15) minutes by rounding either upward to downward as appropriate. No employee shall use any time card other than the employee's own.

Section 2d. Employees shall receive double time pay after sixteen (16) consecutive hours of work. In this case only the time constituting the sixteen (16) consecutive hours shall begin with the time the employee reports to the job and includes all time including meal breaks and other time off the job up to four (4) hours after the employee is dismissed from the job. It being the intention that the sixteen (16) consecutive hours shall be counted clock hours from the time the employee reports to the job, but payment of such hours will be at rates set forth elsewhere in this Agreement.

Section 2e. An employee who is released after working more than sixteen (16) continuous hours shall not be expected to return to work for eight (8) hours. If this eight (8) hour period extends into the employee's standard work day, the employee's schedule shall be temporarily changed so that the employee may work reduced hours without loss of pay.

Section 2f. When in the course of working overtime, an employee works eight (8) hours overtime between the end of a work shift and the start of the following day's work shift and the employee works a minimum of one (1) hour between the hours of 11:00 P.M. and 8:00 A.M., the employee will not be permitted to work until the employee has had ten (10) hours rest.

Section 2g. If, on the employee's Sunday, the employee works eight (8) hours overtime after 4:00 P.M. on Sunday and the employee works a minimum of one hour between the hours of 11:00 P.M. and 8:00 A.M., the employee will not be permitted to work until the employee has had ten (10) hours rest.

Section 2g1. If four (4) hours or less of the scheduled shift would remain after the ten (10) hour rest period as specified in sub-section f and g has lapsed, the employee is not required to report for the shift and the whole shift shall be considered part of the employee's rest period.

Section 2g2. In the event any part of the ten (10) hour rest period as specified in sub-sections f and g coincides with the employee's normal schedule of hours, the employee shall receive their straight time pay for such hours.

Section 2h. The following shall be recognized as legal holidays for Plant Operators: Employee's birthday, the day before New Year's, New Year's Day, Good Friday, Decoration Day, Fourth of July, Labor Day, Thanksgiving Day, day after Thanksgiving, the day before Christmas and Christmas Day or the days celebrated for the foregoing. The following shall be recognized as legal holidays for all other employees: Employee's birthday, New Year's Day, Good Friday, Decoration Day, Fourth of July, Labor Day, Thanksgiving Day, day after Thanksgiving, Christmas Day or the days celebrated for the foregoing. For all employees except Plant Operators: the Employees shall choose, utilizing seniority to pick either - the day before New Years, or the day before Christmas as a holiday. In addition, each employee may each year observe, for Plant Operators - one personal holiday, for all other employees - two personal holidays.

Employees with less than one year of employment (excluding Plant Operators) shall have their personal days prorated based upon their start date in a given calendar year. Employees starting to work in January through June shall be granted two (2) personal holidays. Those starting to work in July through December shall be granted one (1) personal holiday.

Said personal holiday shall be scheduled by the employee and the Company to avoid interruption of the operation of the Company.

Section 2i. All employees under this Agreement shall receive eight (8) straight time hours pay for each of the above listed holidays. Operational employees who are regularly scheduled to work on a holiday, or the day celebrated therefor, shall receive an additional twelve (12) hours straight time pay on their regular scheduled work hours. All non-operational employees shall be excused from work on the holidays listed above and receive eight (8) straight time hours of pay for the holiday. Overtime worked by either operational or non-operational employees shall be paid at the double time rate of pay.

Section 2j. When a holiday falls on the employee's first day off, the employee's previous work day shall be celebrated as the holiday. When a holiday falls on the employee's second day off, the following work day shall be celebrated as the holiday. When the first day of a two (2) day holiday period falls on an employee's second day off, the holiday period shall be moved forward by one day for the affected employee.

Section 3a. When an employee continues to work beyond his scheduled quitting time, or if the employee is called back and returns to work within one (1) hour of scheduled quitting time, he shall be provided a meal at four (4) hours beyond said scheduled quitting time and each five (5) hours of continuous service thereafter until relieved from duty.

Section 3b. When an employee is called out to work at least two (2) hours and prior to his scheduled starting time and continues to work his scheduled hours, he shall be furnished a meal near his scheduled starting time and when work permits. Additionally, said employee will be allowed to use a Company vehicle to obtain his mid-shift meal with the exception of operators. The Company will provide an avenue so that an employee can obtain his meal.

Section 3c. During scheduled work periods employees will furnish their meal and the Company will furnish a meal after twelve (12) hours and every five (5) hours thereafter. Employees scheduled on less than twelve (12) hours notice will be furnished meals as outlined in Section 3d. Employee will be reimbursed up to \$10.00 non-taxed for earned meals with presentation of receipt of purchase, without a receipt employees will be reimbursed \$10.00 taxed via the accounting/payroll system.

Section 3d. When an employee is called in for unscheduled work, a meal shall be furnished after four (4) hours of such work and at each five (5) hours thereafter.

Section 4. On call-outs that are prearranged for work prior to employee's regular hours, where the employee then continues with regular hours of work, or where the same occurs during noon hours, only actual time at overtime rates apply. Where employees are called back to work after having been released from the regular day's work, they shall receive a minimum of two (2) hours overtime pay. Overtime pay shall be divided as equally and impartially as possible among all employees.

Section 5. Employees called in for extra work on the sixth day of any work week shall receive compensation at the rate of one and one-half (1½) times their regular rate for the hours worked and on the seventh day of any work week at the rate of two (2) times their regular pay.

Section 6. No construction work shall be performed by employees included hereunder on Labor Day, except that which is required to preserve life and property and to maintain service.

Section 7. When an employee is required to perform work in a lower paid classification the employee is to suffer no reduction in pay, and when an employee of a lower paid classification is required to do work of a higher paid classification, then employee shall be paid the higher rate of pay regardless of qualifications. Such temporary assignments will be limited to six months continuous service. If such assignment is to exceed six months continuous service then the position will be filled as per Article IX, Section 8 with the exception of those assignments made to replace employees absent due to any form of temporary disability.

Section 8. On Election Day, if an employee has less than two hours continuous time off the clock to vote during times the polls are open, the employee shall be granted up to two hours paid time to vote.

Section 9a. An employee shall earn sick leave for bona fide inability to work at the rate of one (1) day per month worked. An employee can accumulate a maximum of one hundred thirty (130) work days of sick leave for sick leave earned and not taken. Unused sick leave will be carried forward each year. The first eight (8) hours' absence from work for sickness for each consecutive occurrence shall be without pay, except each employee shall have up to two (2) times each year in which the first eight (8) hours are paid.

Section 9b. On June 1, 1999 employees who have not used any sick leave during the past twelve (12) months will be credited with one (1) bonus sick day. Those employees with accumulated bonus sick days shall have until January 1, 2001 to utilize those days as paid personal days. The bonus sick day provision is discontinued as of this agreement.

Section 9c. Employees with accumulated bonus sick days as noted on Exhibit 3 shall take these bonus days as personal days by January 1, 2001.

Section 10. Employees hired after June 1, 1996 will be required to live within a half-hour drive to the plant under normal weather conditions. Those employees on the payroll prior to June 1, 1996 shall be exempt from this clause with the exception that should they change their residence in the future, they would be required to comply with the drive restriction.

Section 11. Any Plant Utility Worker who is assigned as a Plant Operator shall receive Plant Operator rate of pay for all such hours assigned.

ARTICLE VIII – VACATIONS

Section 1a. All regular full time employees, employed as of June 1, 1999 covered hereunder shall receive vacations based on the following schedule:

<u>Number of Full Calendar Years Employed</u>	<u>Vacation Earned</u>
One year through five years	Two Weeks
Six years through fourteen years	Three Weeks
Fifteen years through twenty-three years	Four Weeks
Twenty-four years and over	Five weeks

All regular full time employees, hired after 1 June 1999 covered hereunder shall receive vacations based on the following schedule:

<u>Number of Full Calendar Years Employed</u>	<u>Vacation Earned</u>
One year through five years	Two Weeks
Six years through fourteen years	Three Weeks
Fifteen years and over	Four Weeks

Section 1b. If an authorized holiday to which an employee is entitled falls during the employee's vacation, an additional day off with pay will be granted.

Section 1c. Company employees earn vacation in the year that it is taken. Therefore, employees who leave employment of the Company after January 1st, for any reason other than retirement, will receive a pro-rata share of the vacation they are entitled to in that calendar year. If the employee has taken vacation in excess of this pro-rata share, the Company shall reimburse itself for any over compensation through a payroll deduction from the employee's final pay. An employee who retires under the provisions of the Company's pension plan shall be entitled to a full year's share of vacation for the calendar year in which the employee retires.

Section 2. Vacation days shall be scheduled for times reasonably suitable to the individual employees and the Employer and must be taken consecutively, but the employees entitled to a vacation of ten (10) working days may divide such vacation into two (2) periods of five (5) working days each; employees entitled to a vacation of fifteen (15) working days may divide into two (2) or three (3) periods, provided that such periods shall not be less than five (5) consecutive working days. (NOTE: Ten (10) days may be taken 1 day at a time, excluding Plant Operators who may take five (5) days, one (1) at a time.)

Section 3. Vacation time shall not accumulate from one year to another.

Section 4a. Prior to April 1 of each calendar year, Department Heads will consult with all employees entitled to vacations and from such consultations the company shall establish and post before the above date on department bulletin boards a working schedule for vacation periods.

Section 4b. In determining vacation schedules, the wishes of the employee will be respected as to the time of taking vacation insofar as the needs of the service will permit. Vacation may be taken at any time during vacation year which is January 1 through December 31 except that one year's vacation must be separated from the next year's vacation by at least four weeks.

Section 5. If vacation taken by employee falls within the same calendar month, vacation pay will be paid employee prior to leaving on vacation if requested.

ARTICLE IX – SENIORITY

Section 1a. Seniority shall date from the time an employee first earns compensation in the employ of the Company in a full time position covered under this agreement. The last employee hired shall first to be laid off, when adding to the forces, the last employee laid off shall be the first to be called back if available.

Section 1b. In cases of layoff, the Company will have not obligation to train employees who are forced to bump in remaining available entry positions where employees do not possess sufficient qualifications and ability to bump. In those cases where employees are unable to become proficient, such employees will be laid off and subject to recall provisions of this Agreement.

Section 2. Any employee shall lose all seniority rights by reason of voluntary absence from service not satisfactorily explained, or discharged for cause.

Section 3. Should time constituting seniority of any two (2) or more employees be equal, the respective seniority rights of such employees shall be determined by lot.

Section 4. Employees, except Temporary Student Employees, laid off because of lack of work or for similar reason beyond their control, and re-employed within one (1) year, shall have their seniority rights restored as of the date they were laid off.

Section 5. A maximum of sixty (60) days leave of absence without pay within any calendar year may be granted to an employee with the written approval of the General Manager of the Company. Leave of absence may be extended to six (6) months and while on leave of absence, employee shall not forfeit employee's seniority rights. If employee remains away for more than six (6) months, or accepts employment elsewhere without the sanction of the Company, employee's seniority shall be forfeited. Any exception to the above must be mutually agreeable to both parties to this agreement.

Section 6. An employee injured while on duty shall be entitled upon recovery to employee's former position with full seniority rights provided employee is physically qualified for such position.

Section 7a. All time off duty due to sickness or injury not covered above, shall be included in computing seniority time.

Section 7b. All time-off duty due to non-occupational illness or non-occupational injury shall be included in computing seniority time up to a maximum of two (2) years.

Section 8a. The filling of vacancies shall be based on seniority, ability, and qualifications being sufficient.

Section 8b. When there are no qualified applicants, the Company will afford the senior employee who bids the job vacancy reasonable opportunity (one hundred twenty (120) days) training period for the job.

Section 8c. Employees who bid into a position requiring training, shall serve a one hundred twenty (120) day probationary period, during which time the employee may return to his old job at his request or at the insistence of the Company if the Company can show cause that such employee is not suited for the job.

Section 8d. An employee who is awarded an operators position and is not qualified, may work up to one hundred twenty (120) days as a utility man, at which time he must become proficient to qualify as an operator or be returned to his former position. The Company agrees that the employee will receive the training in order to qualify as an operator.

Section 8e. The Company shall cover the operators position on a temporary basis until the job vacancy is filled. Coverage will be divided as equally and impartially as practical between the plant employees.

Section 8f. The Company agrees that until June 1, 1996, the job vacancies will be awarded by seniority and the Company will afford training for those employees to become qualified for such job vacancies. This paragraph does not apply to the senior mechanic or plant utility working crew chief.

Section 9. Company employees as designated by the Company shall be required to wear uniforms furnished and maintained by the Company.

Section 10. The Company will provide a clothing allowance of a maximum of \$300/calendar year, starting January 1, 1997, for the purchase of coveralls, jackets, insulated underwear, gloves and safety shoes subject to rules and restrictions as attached to the Contract. Items purchased with the allowance shall be considered the property of the employee. The current clothing with the exception of those identified in Article X Section 1 shall become the property of the employee.

RULES AND RESTRICTIONS

1. Items must be purchased where the Company has an account or purchased out of pocket for reimbursement
2. The employee must provide legible receipts for purchases that clearly identify the items that are approved for purchase. Employees shall be reimbursed through the Company's normal Accounts Payable process.
3. The Company will approve brand/styles.
4. Shoes/Boots purchases will be safety shoes/boots and must be worn at all times except optional wear is acceptable from 1 November through 31 March. Meter readers, plant operators and customer service workers are not required to wear safety shoes but may at their option accept this benefit.

Section 11. Notice of job vacancies will be posted for bid for five (5) working days. Jobs will be filled in accordance with Article IX Section 8.

ARTICLE X - SAFETY

Section 1. The Company shall provide ample rubber boots, raincoats, rain hats, insulated boots for winter work, and other safety equipment to adequately protect the health and safety of all of its employees in the discharge of their duties. This equipment and clothing shall remain the property of the Company and shall at all times be stored in the employee's locker while off duty.

Section 2. Employees under this agreement will use and make every effort to preserve the equipment provided for their safety, and failure to use equipment so provided shall be grounds for discharge.

Section 3. The Company will generally maintain within the departments covered by this agreement sufficient employees to safely perform the work required.

Section 4. Company will see that trucks and other equipment which employees are required to use in their work are maintained in such repair as to properly safeguard the health and safety of employees using such equipment.

Section 5a. The Company will not make any routine work assignments in inclement weather that could seriously affect the health and safety of the employee(s) unless such work is necessary to protect life or property or to maintain service to the public.

Section 5b. At temperatures of zero degrees or less, the Company will not make work assignments which would require employees to be out of doors for extended periods which could seriously affect their health, except to protect life and property or to maintain service to the public. On days other than the above, temperature as well as other factors will be considered when making reasonable work assignments.

Section 5c. If there is a doubt as to the reasonableness of the assignment at the start of the work day, the employee in charge of the assignment and/or the departmental steward should bring it to the attention of the immediate supervisor. If a doubt as to the reasonableness of the assignment should arise during the day, the employee in charge of the assignment should bring it to the attention of the employee's supervisor. In either case, after consideration has been given to the question or questions as to the reasonableness of the assignment, the supervisor will then make the decision.

ARTICLE XI – HEALTH AND WELFARE

Section 1. The Company shall pay the premiums for a Hospital and Medical-Surgical Program for all employees for the duration of this Agreement. The additional cost for dependent / family coverage shall be jointly covered by the company and the employee, with the employees contribution not to exceed fifteen (15) % of the additional cost.

Section 2. Medical insurance will be provided for retiring employees. The Company will contribute \$70 toward the cost of this premium. The spouse of the retiree can obtain coverage under the Company's plan at their own expense.

Section 3a. The Company will provide short-term disability for certain disabled employees. Such protection shall be integrated with Social Security and such other State and Federal programs as may be available.

Section 3b. An eligible employee will receive short-term disability payments once any accrued sick leave has been exhausted.

Section 3c. An eligible employee with at least two (2) years of service and not more than five (5) years of service will receive fifty (50) percent of their pay until the disability is ended or long-term disability begins.

Section 3d. An eligible employee with over five (5) years of service will receive sixty-six (66) percent of their pay until either the disability ends or long term disability begins.

Section 4a. The Company will provide long-term disability for certain disabled employees. Such protection shall be integrated with Social Security and such other State and Federal programs as may be available.

Section 4b. An eligible employee will receive long-term disability payments once any accrued sick leave and short-term disability payments have been exhausted and one hundred eighty (180) days have commenced after the date the disability has occurred.

Section 4c. The amount of the insurance for each employee will be sixty (60) percent of the individual's monthly income with a maximum limit of Three Thousand five Hundred Dollars (\$3,500).

Section 4d. Payments will end on the earlier of the employee's return to work, age 65, retirement, or death of the employee.

Section 4e. The employee remains eligible for benefits for two (2) years if unable to perform employee's normal job. Eligibility continues after two (2) years if the employee is unable to perform any job or occupation.

Section 4f. All benefits cease upon employment with another company.

Section 5. The members of Local Union No. 51 of the International Brotherhood of Electrical Workers have bargained effective June 1, 1990 for the inclusion of an Alcohol and Drug Policy as a part of this Agreement. The "Policy" is attached as Exhibit 1.

Section 6. The Company shall pay for and provide Life insurance to all active employees in an amount not to be less than twenty-five thousand dollars (\$25,000) at face value.

ARTICLE XII – MISCELLANEOUS PROVISIONS

Section 1. Where there is a death in the immediate family of a regular employee on the regular payroll, upon the request of the employee the employee shall be given three (3) working day's leave with no deduction in pay. Immediate family is defined as father, stepfather, mother, stepmother, father-in-law, mother-in-law, sister, brother, son, daughter, wife or husband, stepson and stepdaughter. It is fully understood and agreed that in the case of a father, stepfather, mother or stepmother, the company will be obligated to pay only a father or only a stepfather, only a mother or only a stepmother and not for a father and a stepfather; a mother and a stepmother. Half brother, half sister, foster sons, foster daughters, ex-wives or ex-husbands are not included in the definition of immediate family.

Section 2. It is mutually agreed that if any national or state law or laws are passed which affect any part of this Agreement, such law or laws supersede this contract.

Section 3a. It is mutually agreed between the Company and the Union that in case of an on-the-job accident resulting in an employee being off work for one (1) hour or more, the Company will pay the said employee the difference between the employee's regularly hourly wage and that which said employee would receive under the Illinois Workmen's Compensation Act from the Company's insurance company for the first work week that the said employee is off the job.

Section 3b. It is understood and agreed that in no case will an employee receive more than employee's basic weekly wage for the first week of a Workmen's Compensation absence. That overpayment made by the insurance carrier will be returned to the Employer.

Section 4a. Consumers Water Company has adopted a savings plan (Consumers Water Company 401K Savings Plan and Trust) to be available to all employees of Consumers Water Company and its subsidiary companies except those employees who are members of bargaining units which have not specifically bargained for inclusion in said plan.

Section 4b. The members if IBEW have bargained for inclusion in the plan, effective June 1, 1987, under the terms and conditions of other employees of the CWC and its subsidiaries who are eligible to participate in the plan.

Section 4c. It is understood and agreed that Consumers Illinois Water Company may at its sole election discontinue said plan on any anniversary date thereof. The rights of the members of IBEW to participate in this plan shall only exist to the extent that the plan is available to other employees of Consumers Water Company and its subsidiaries.

Section 4d. During the period of this Agreement, the retirement plan for employees of Consumers Water Company and its associated companies as amended shall be applicable to employees covered under this Agreement.

Section 5. An employee performing jury duty during the employee's regularly scheduled hours shall be reimbursed by the Company for the difference between the fees the employee receives for jury service and the employee's regular pay (not to exceed three (3) weeks).

ARTICLE XIII – STOPPAGE OF WORK

Section 1a. In view of the joint responsibility of the Company and the Union to maintain continuous service to the public during the term of this Agreement and any extension thereof, and inasmuch as this Agreement provides definite means for settling all disputes which may arise between the parties hereto concerning the Agreement, the Union guarantees that there shall be no authorization or sanction of any strike, or any other curtailment of work, restriction of, or interference with maintenance of service to the public by its members; and the Company guarantees that there will be not lock-out.

Section 1b. In case any employee or employees strike or refuse to appear for work, when a strike of the employees has not been authorized by the Union, then the Company has the right to discharge such employee or employees and replace them at once.

Section 1c. All present working conditions with the exceptions listed in this contract shall remain in full force and effect during the life of this Agreement.

ARTICLE XIV - PAYDAYS

Section 1. All employees of the Company covered hereunder shall be paid on every other Friday. When payday falls on a holiday, employees will be paid the previous day.

ARTICLE XV - CDL DRIVERS LICENSE

Section 1a. Commercial Drivers License (CDL) will be required for any employee whose job would normally include operating a qualifying vehicle in accordance with applicable laws.

Section 1b. The Company will pay for any required physical examination, including drug screening, CDL License and renewal fees, and CDL training program. An employee will be allowed necessary physical examinations, one skills test, one written test, and renewals of current CDL's on Company time. In addition the Company will provide Company vehicles for skills testing, as well as practicing on the employee's own time. An employee shall take any training course, testing after the first test, and practicing on the employee's own time.

Section 1c. An employee whose position requires a CDL shall either have the CDL prior to being hired, or shall obtain the CDL within six (6) months.

Section 1d. If an employee with at least six months of service that is required to have a CDL, fails to obtain and/or maintain such license for reasons other than medical, the employee may be subject to termination.

Section 1e. Employees required to have and maintain a CDL Driver's License are all Union Distribution Employees. Any other Company employee except Plant Operators desiring to obtain a CDL Driver's License may follow 1b, above.

Section 1f. A CDL license premium of \$0.10 per hour shall be paid to any employee, except Plant Operators that have and maintain a CDL license.

ARTICLE XVI – CERTIFICATE OF COMPETENCY

Section 1a. All new employees, on or after June 1999, shall be required to obtain a Class "D" Certificate of Competency as issued by the Illinois Environmental Protection Agency (IEPA). Such employees shall be allowed up to two (2) opportunities to take the IEPA examination and shall be allowed a period of one year from the date of hire to pass the test or until results of the last examination taken during this period by the applicant is announced, whichever is longer. The Company will pay an employee straight time for the first time the employee takes a Class "D" examination, and the Company will pay the employee's time on a straight time basis only if the test is passed. The Company reserves the right to extend the probationary period during this period if the applicant is unable to secure the certificate. The Company will pay any amount in excess of \$10.00 for renewal of any class Water licensing.

Section 1b. From the date of the execution of this Agreement, a regular Plant Operator must be the holder of the minimum required Certificate of Competency for the plant they operate. An applicant for the position of Plant Operator otherwise qualified but not yet possessing the required certificate, shall have a period of one year from the date of appointment to secure said Certificate of Competency as issued by the IEPA. With respect to positions that require certification, the Company reserves the right to extend this time period on a case by case basis.

Section 1c. If the IEPA mandates requirements for the certification of water operators or maintenance personnel, they shall meet the requirements of certification as set forth or any other requirements of the IEPA.

Failure of an employee to maintain or meet the requirements of this certificate may result in termination.

Section 1d. Employees as of May 31, 1999 are grandfathered from such requirements as specifically allowed by the IEPA.

Section 1e. Employees will be responsible for maintaining their certification and will furnish the company a copy of their certification and current Certificate of Competency to be eligible for the entitled benefits of this program.

Section 1f. The per hour premium to be paid for Class D, C, B or A certification is as follows:

D: \$0.10/hr
C: \$0.20/hr
B: \$0.30/hr
A: \$0.40/hr

Section 1g. It is understood that personnel in the Distribution and Customer Service Departments can be paid at the Class D or Class C Premium rate, depending on their highest achieved certification. Plant personnel can be paid at the Class D, Class C, Class B or Class A Premium rate, depending on their highest achieved certification.

ARTICLE XVII - DURATION

This contract and the wage scale above set forth shall remain in full force and effect from the first day of June 1999, until and including May 31, 2002, and from year to year thereafter unless written notice is given by either party hereto to the other on or before ninety (90) days prior to the expiration date requesting that the Agreement be canceled or amended, if amendment is desired; provided, however, that if the National Labor Relations board or any other tribunal or court having power to decide such matters shall hereafter or any time determine that the Union is not authorized or permitted to act as the representative of the employees in the Bargaining Unit, the Company may at its option immediately terminate this Agreement by giving written notice to the Union at its office in Springfield, Illinois, or at such other place as may then be the office of the Union. As long as negotiations for amendment or a successor agreement is continuing, then the terms and conditions of this agreement shall continue in full force and effect.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written.

**LOCAL UNION NO. 51
OF THE INTERNATIONAL
BROTHERHOOD OF
ELECTRICAL WORKERS**

**CONSUMERS ILLINOIS
WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS**

By *Keneth R. Felt*

This 14th day of June 1999

By *Craig H. Cummings*

This 17th day of June 1999

EXHIBIT 1

ALCOHOL AND DRUG POLICY

I. STATEMENT OF PURPOSE

Employees are the Company's most valuable resource, and their health and safety is therefore a serious concern. The Company will not tolerate any alcohol or drug use which endangers the health and well-being of its employees or threatens its business. Indeed, the safety and reliability of potable water is an absolute necessity which the Company must achieve to serve the public and to remain a viable business. As such, the Company must rely on the dependability and performance of its employees.

Furthermore, employees have the right to work in an alcohol and drug free environment and to work with persons free from the effects of alcohol and drugs.

The Company is therefore committed to maintaining a safe and healthy work place free from the influence of alcohol and drugs.

II. EMPLOYEE AWARENESS PROGRAM

The Company will sponsor an employee drug and alcohol awareness program. The program will be presented to all Company employees on an annual basis. The purpose of the program is to educate employees on the dangers of drug and alcohol use, the help which is available to substance abusers, and the consequences of continual substance abuse. The program will emphasize the Company policy.

III. THE DRUG TESTING PROGRAM

A. Mandatory Referral for Drug Testing

The drug testing program is designed to identify employees who abuse drugs and assist them in obtaining help in correcting debilitating habits. Company supervisors will be alert to declining job performance or erratic on-the-job behavior. When the supervisor concludes that such declining job performance or erratic on-the-job behavior may be the result of the employee's drug problems, the supervisor will refer the employee to the appropriate department for a breath, saliva, urine test for alcohol or drug abuse. A decision to test will

EXHIBIT I

be based on specific contemporaneous, physical behavior, or performance indicators of probable drug use. For example, evidence of repeat errors on the job, regulatory or Company rule violations, or unsatisfactory time and attendance patterns if coupled with a specific contemporaneous event that indicates probable drug use will provide evidence to test an employee based on reasonable cause.

If an employee mandatorily referred for a test because of declining job performance or erratic on-the-job behavior tests positive for drugs or alcohol, the employee will be in violation of Company policy.

All urine tests will be performed by laboratories on the current list of laboratories which meet standards to engage in urine drug testing for federal agencies. Testing will be conducted on "controlled substances" as published in Appendix I.

8. Other Testing

Each initial offer of employment shall be conditioned upon the passing of a urine test for drugs. The Company will not hire any applicant who fails to pass the pre-employment drug test.

Whenever the Company determines that an employee may have contributed to an accident involving a fatality, serious bodily injury, or substantial damage to property, the Company may require the employee to submit a breath, saliva, urine test for drug testing. An employee who tests positive for alcohol or drugs as a result of such a test will be in violation of this policy.

The Company will permit applicants and employees subject to testing the opportunity, prior to testing, to list all prescription and non-prescription drugs they have used in the last thirty days and to explain the circumstances surrounding the use of such drugs.

Prior to testing, applicants and employees must sign an approved form consenting to the testing and consenting to the release of the test results to the Company.

Employees subject to testing have the option of requesting a split sample to be available for testing. The employee may request a second test to be performed on the unused portion of the split sample provided the first test performed tests positive. The employee is responsible for the cost of the testing of the second sample if it also tests positive.

Prior to taking any action, the Company will give all applicants and employees, who test positive for alcohol or

EXHIBIT 1

drugs, the opportunity to explain the test results to the Company.

The Company will report all positive alcohol or drug tests to other management officials on a need-to-know basis.

IV. AUTHORIZED USE OF A PRESCRIBED MEDICINE

Employees undergoing prescribed medical treatment with any drug which may alter their behavior or physical or mental ability must report this treatment. Employees must keep all prescribed medicine in its original container, which identifies the drug, date of prescription, and prescribing doctor.

V. PROHIBITIONS

This policy prohibits the following:

- A. Unauthorized use or possession, or any manufacture, distribution, dispensation or sale of illegal drugs, drug paraphernalia, controlled substance or alcohol on Company premises or during Company business, in Company supplied vehicles, or during working hours;
- B. Storing in a locker, desk, automobile or other repository on Company premises any illegal drug, drug paraphernalia, and controlled substance whose use is unauthorized, or any alcohol;
- C. Being under the influence of any unauthorized controlled substance, illegal drug or alcohol on Company premises or during Company business, in Company supplied vehicles, or during working hours;
- D. Use of alcohol off Company premises that adversely affects the employee's normally scheduled work performance and his own or others' safety at work.-
- E. Possession, use, manufacture, distribution, dispensation or sale of illegal drugs off Company premises that adversely affects the employee's work performance, his own or others' safety at work.
- F. Switching or adulterating any urine or other sample submitted for testing;
- G. Refusing consent to testing when requested by management in accordance with paragraph III (A);

EXHIBIT 1

- H. Failing to adhere to the requirements of any drug or alcohol treatment or counseling program in which the employee is enrolled;
- I. Conviction under any criminal drug statute, felony or misdemeanor;
- J. Failure to notify the Company of any conviction under any criminal drug statute within five days of the conviction;
- K. Failure to report to your supervisor the use of a prescribed drug which may alter the employee's behavior or physical or mental ability;
- L. Failure to keep prescribed medicine in its original container;
- M. Refusal to complete a Medical Questionnaire and Consent Form prior to testing;
- N. Refusal to complete the Toxicology Chain of Custody Form after submission of a urine specimen.

VI. CONSEQUENCES FOR VIOLATION OF POLICY

The Company may invoke disciplinary action including the termination of any employee who violates this policy.

In addition to any disciplinary action for a policy violation, the Company may refer an employee to a social service agency for assessment, counselling, and referral to a treatment program for alcohol or drug abuse. Employees referred to such an agency as a result of a positive test for alcohol or drugs must immediately cease any alcohol or drug abuse, must subject themselves to periodic unannounced testing for a period of twelve (12) months, and must comply with all other conditions of the treatment and counselling program recommended by the social service agency. Employees who undergo counselling and treatment for substance abuse and who continue to work must meet all established standards of conduct and job performance.

Participation in a program for drug and alcohol abuse, which requires inpatient rehabilitation, will be permitted twice during an employee's career without any suspension or disciplinary action being taken against the employee. Sick pay benefits will be paid in accordance with the labor agreement and medical expenses will be paid in accordance with the Company's Group Medical Plan.

The Company may promptly terminate any employee who tests positive for alcohol or drugs while undergoing Company-

EXHIBIT 1

required counselling and treatment for alcohol or drug abuse or who tests positive on a periodic unannounced test for alcohol or drugs during the twelve (12) month period following completion of the rehabilitation program.

An employee who has been enrolled one time as an inpatient in a rehabilitation program and then tests positive (failed) in a separate incident, and which is more than twelve (12) months after returning to work from an inpatient confinement, will be placed on paid sick leave in accordance with labor agreement and medical expenses will be paid in accordance with the Company's group medical plan.

VII. CONDITION OF EMPLOYMENT

Compliance with the Company's substance abuse policy is a condition of employment. Failure or refusal of an employee to cooperate fully, sign any required document, submit to any inspection or test, or follow any prescribed course of substance abuse treatment may be grounds for termination.

VIII. UNION LIABILITY

The Company agrees to hold the Union harmless to any monetary liability imposed by a court of law, and court costs, and legal fees arising out of the Company's activities in carrying out the drug testing program.

EXHIBIT 1

CONTROLLED SUBSTANCES

<u>DRUGS</u>	<u>SCHEDULE</u>	<u>TRADE OR OTHER NAMES</u>	<u>MEDICAL USES</u>
<u>NARCOTICS</u>			
Opium	II, III, V	Dover's Powder, Paregoric Parepectolin	Analgesic, anti-diarrhea
Morphine	II, III	Morphine, Pectoral Syrup	Analgesic, anti-tussive
Codeine	II, III, V	Tylenol with Codeine, Empirin Compound with Codeine, Robitussin A-C	Analgesic, anti-tussive
Heroin	I	Diacetylmorphine, Horse Smack	Under investigation
Hydromorphone	II	Dilaudid	Analgesic
Heperidine (Pethidine)	II	Demerol, Mepergan	Analgesic
Methadone	II	Dolophine, Methadone, Methadose	Analgesic
Other Narcotics	I, II, III, IV, V	LAAM, Leritine, Numorphan, Percodan, Tussionex, Fentanyl, Darvon, Talwin,* Lomotil	Analgesic, anti-diarrheal anti-tussive
<u>DEPRESSANTS</u>			
Chloral Hydrate	IV	Noctac, Somnos	Hypnotic
Barbiturates	II, III, IV	Phenobarbital, Tuinal, Amytal, Nembutal, Seconal	Anesthetic, anti-convulsant sedative, hypnotic
Benzodiazepines	IV	Ativan, Azene, Clonopin, Dalmane, Diazepam, Librium, Xanax, Serax, Tranxene, Valium, Verstran, Halcion, Paxipam, Restoril	Anti-anxiety, anti- convulsant sedative, hypnotic
Methaqualone	II	Parest Quaalude	Sedative, hypnotic
Glutethimide	III	Doriden	Sedative, hypnotic
Other	III, IV	Equanil, Miltown, Noludar, Placidyl, Valmid	Anti-anxiety, sedative, hypnotic

EXHIBIT 1

CONTROLLED SUBSTANCES

<u>DRUGS</u>	<u>SCHEDULE</u>	<u>TRADE OR OTHER NAMES</u>	<u>MEDICAL USES</u>
<u>STIMULANTS</u>			
Cocaine **	II	Coke, Flake, Snow	Local anesthetic
Amphetamines	II, III	Biphphetamine, Delcobese, Desoxyn, Dexedrine, Mediatrix	Hyperkinesis, narcolepsy, weight control
Phenmetrazine	II	Preludin	Hyperkinesis, narcolepsy, weight control
Methylphenidate	II	Ritalin	Hyperkinesis, narcolepsy, weight control
Other	III, IV	Adipex Bacarate, Cylert, Didrex, Ionamin, Plegine, Pre-Sate, Sanorex, Tenuate, Tepanil, Voranil	Hyperkinesis, narcolepsy, weight control
<u>HALLUCINOGENS</u>			
LSD	I	Acid, Microdot	None
Mescaline and Peyote	I	Mesc, Buttons, Cactus	None
Amphetamine Variants	I	2, 5-DMA, PHA, STP, MDA, MDMA, TMA, DOM, DOB	None
Phencyclidine	II	PCP, Angel Dust, Hog	Veterinary anesthetic
Phencyclidine Analogs	I	PCE, PCPY, ICP	None
Other Hallucinogens	I	Bufotenine, Ibogaine, DMT, DET, Psilocybin, Psilocyn	None
<u>CANNABIS</u>			
Marijuana	I	Pot, Acapotes Gold, Grass, Reefer, Sinsemilla, Thai Sticks	Under investigation
Tetrahydro-Cannabinol	I	TMC	Under investigation
Hashish	I	Hash	None
Hashish Oil	I	Hash Oil	None

* Not designated a narcotic under the CSA

** Designated a narcotic under the CSA

CONSUMERS WATER COMPANY
EMPLOYEE BONUS PLAN

March 31, 1995
Revised 1/1/96
Revised 10/21/97

EXHIBIT 2

1995 CWC EMPLOYEE BONUS PLAN

The Consumers Water Company Employee Bonus Plan offers eligible employees the opportunity to receive a cash bonus of up to 3% of their Total Annual Compensation, including Overtime, depending on the ability of the Company to meet certain Targets. The 1995 Plan identifies two goals relating to Business Unit earnings and a Business unit Performance Target. A 1995 Target has been established for each goal. The Business Unit earnings goal may contribute up to 1.5% towards the award and the Business Unit Performance Target may contribute 1.5% towards the overall award. All together, the award may come to 3%. A combination of the targets attained will determine the size of the award.

Employees eligible for the Bonus Plan are all full-time, non-exempt employees of Consumers Water Company and of its utility subsidiaries. Eligibility of those employees who are members of bargaining units is subject to the terms of the applicable bargaining agreement. Exempt employees of the Company and of its subsidiaries are not eligible.

**A Business Unit will normally be a business group defined by state while a local Unit would normally be all of or part of a work group at a location, i.e. a District or a distribution crew.*

EXHIBIT 2

EARNINGS

GOAL: To improve the Business Unit's return on equity (ROE).

MEASURE: At least 90% of this target must be attained in order for there to be any bonus paid under the Earnings portion of the Plan. The payout for the ROE component will begin at 91% of the target and will vary depending on the level of earnings achieved.

Return on equity (ROE.) is calculated by taking the Company's profit (or net income) for the year and dividing it by the average common equity investment (or amount the shareholders have invested in the Company) for the year. It is a key measure of a company's financial health.

1995 TARGET: The Bonus Plan Earnings Goal for 1995 is x.xx%.

<u>GOAL</u>	<u>AWARD</u>
<u>% ROE</u>	<u>% Annual</u>
<u>Target</u>	<u>Total Compensation</u>
100	1.50
99	1.35
98	1.20
97	1.05
96	.90
95	.75
94	.60
93	.45
92	.30
91	.15
90	.00

EXHIBIT 2

SELECTED UNIT PERFORMANCE

GOAL: To increase overall Business Unit performance. Each Business Unit will select, by location or function, a specific Target which will assist the overall Business Unit in attaining its Business Unit Goals as described in the Incentive Compensation Plan for exempt employees.

MEASURE: Each Business Unit will select one goal from among the Performance Measures which the Unit is using to meet or exceed its business objectives. This Goal may be related to a location (such as a District, etc.) or a function (such as distribution crew) depending on the business Unit's make-up and overall Goals. It is anticipated that the Goals would vary from Unit to Unit. The Goal will provide an award of 1.5% of Total Annual Compensation, including Overtime, if it is achieved.

1995 TARGET: Each Business unit will have approved targets by December 31, 1994. Attainment of the Target will result in an award of 1.5% of Total Annual Compensation, including Overtime.

EXHIBIT 3

Consumers Illinois Water Company Vermilion County Division

Accrued Bonus Sick Days

Blazaitis, Stephen	5
Engelmann, Michael	5
Hannon Jr., Alvin	3
Kinney, Lorin	2
Michenfelder, Schuyler	5
Millikin, John	3
Reed, Timothy	5
Schingle, Michael	6
Shipman, Anthony	6
Smiley, Michael	5
Spickard, Edward	2